

**Top Brands: DSN's First Annual
Supplier Analysis Section: Pp. 19-76**

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K mart's electronics center prototype, seen in Kearny, N.J., store, positions hands-on computer displays on a self-service island. High-shrink merchandise is under glass. (DSN photo)

K mart Ups Service In New CE Format

KEARNY, N.J.—K mart has begun a roll-out of a new service-intensive format in its electronics departments—marking a bold exit from its earlier self-service thrust in the category.

The primary beneficiaries of the new approach are the chain's home computer offerings, although other CE product lines have been included in the layout. The design utilizes a large service island under a high-visibility canopy suspended from the ceiling.

The format first made its appearance in a series of tests several months ago. It is currently being set up in K mart's East Coast units before a chainwide roll-out this winter.

"It says we are very much in the computer business," said Fred Stevens, senior vp, sales and gmm. "It dramatizes the products currently in use and makes it a little easier to see the total mix."

The nation's largest discount-er has also undertaken an effort (Continued on page 84)

Name Brands Grow More Important: Poll

Special DSN Report

Name-brand merchandise is more important to discounters today than ever before.

Assortments may be narrowing as chain productivity requirements become more stringent, but discounters are counting more heavily than ever on fast turns from national label merchandise—in every department—to help them grow their businesses, according to DSN's first annual top-brands report.

The report, based on interviews with discounters store managers across the country, was conducted for *Discount Store News* by Leo J. Shapiro & Associates.

Sixty-four per cent of the store managers polled agreed national brands will contribute more to store sales than private label or store brands.

Citing advertising exposure, product quality and consumer demand as the driving forces ruling their perceptions, managers in both conventional and upscale format chains said more of their stores' inventories are currently being converted to national label goods.

In fact, looking over changes in inventory patterns made in the last year alone, 60% of the managers polled said name-brand assortments had already increased in the last 12 months.

Beyond that, however, the managers' perceptions aren't uniform; they vary according to store demographics—location, store size, for example—and product category. (The full study begins on p. 19.)

Store Mgrs.' Winners

Automotive	Children's Apparel	Consumer Electronics	Cosmetics
Quaker State Champion Pennzoil AC-Delco Fram	Garanimals Lee Wrangler Curly Garan	Atari Texas Instruments Panasonic Commodore General Electric	Maybelline Revlon Cover Girl Max Factor Aziza
Food/Candy/Snacks	Hardware	H&BA	Housewares
M&M Planters Frito Lay Hershey Brach	Stanley Black & Decker Lucite Glidden General Electric	Crest Colgate Johnson & Johnson Revlon Clairol	Corning Rubbermaid Libbey Pyrex Corelle
Kitchen/Laundry Supplies	Ladies' Apparel	Men's Apparel	Personal Care
Tide Comet Clorox Ajax Rubbermaid	Lee Wrangler Calvin Klein Levi's Sasson	Wrangler Lee Fruit of the Loom Levi's Hanes	General Electric Conair Clairol Norelco Gillette
Photo/Camera	Sporting Goods	Stationery	Toys
Kodak Polaroid Canon Minolta Nikon	Wilson Coleman Spalding Igloo Zebco	Mead Bic Papermate American Greetings Parker	Fisher-Price Mattel Playskool Kenner Milton Bradley

Top brands in 16 merchandise categories were selected by store managers across the nation, in a poll conducted for DSN by Leo J. Shapiro & Associates.

While the gap between them as groups was relatively narrow, the trend to convert to national labels was stronger among conventional-format discounters than for upscale chains. But, between individual chains, like K mart and Target for example, the spread was considerable.

In line with recent merchandise upgrades at K mart, 89% of the Troy, Mich.-based dis-counter's store managers polled

for this survey reported that they carried more national label goods today than they did a year ago. At upscaler Target, 61% of those polled reported name brands on the rise.

By store size, the study revealed that managers running stores in the 60,000-100,000-sq.-ft. and 100,000-sq.-ft.-plus size ranges reported more growth in national label assortments than did small store managers.

Digest

Nov. 14, 1983

TOP-BRAND SECTION

• Store managers name their top brands in DSN's first supplier analysis section (pp. 19-76). The 16 merchandise categories covered are: automotive, p. 4; children's apparel, p. 63; consumer electronics, p. 68; cosmetics, p. 45; food/candy/snacks, p. 52; hardware, p. 58; health & beauty aids, p. 46; housewares, p. 72; kitchen & laundry supplies, p. 57; ladies' apparel, p. 63; men's apparel, p. 76; personal care appliances, p. 20; photo, p. 66; sporting goods, p. 74; stationery, p. 33; toys, p. 57.

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Senate Nixes Funds For RPM Campaign

WASHINGTON—In a clear-cut victory for discount chain lobbyists, the Senate approved legislation stripping all Federal funding for the Justice Department's campaign to resurrect Fair Trade-style resale price maintenance (RPM) activities by suppliers.

The bill, approved by an overwhelming voice vote on the Senate floor late last month, was adopted as an amendment to the Senate-passed Justice Department appropriations bill.

Under the language of the anti-RPM amendment, no Government funds appropriated for the department "may be used for any activities the purpose of which is to overturn or alter the per-se prohibition on resale price maintenance in effect under Federal antitrust laws."

Although discount store in-

dusty lobbyists hailed the vote as "a significant victory for consumers and price-competitive retailers," it is still uncertain whether the Senate-approved funding restraint will have any substantive impact on efforts by Reagan Administration anti-trusters to relax the long-standing prohibition against resale price fixing.

A parallel Justice Department funding bill already passed by the House doesn't contain any similar restrictions on spending to overturn the ban on RPM, and the immediate fate of that amendment is now in the hands of a joint House-Senate conference committee.

The funding restraints will take effect only if the Senate version is approved by those conferees, passed by the full (Continued on page 84)



Men's Wear Push Suits New

Venture's deepening push into men's wear includes some three-piece suits in its Springfield, Mass., store.

Ladies' Wear Leads Name-Brand Growth



Ladies' apparel was the clear winner as the department showing the biggest growth in the number of brand names carried last year; men's apparel was the runner-up.

That was revealed in DSN's first top-brands study, based on interviews with store managers nationwide. The study was conducted for DSN by Leo J. Shapiro & Associates, a Chicago-based market research firm.

With an already relatively mature lineup of brands in hard lines areas, plus the efforts of most chains to make a stronger statement in their higher-margin apparel departments, it was predictable that these two departments would emerge at the head of the list of departments showing a greater brand name presence.

Where the vote of branded growth differed was among the managers from conventional and upscale type chains. Store managers, 26% of them, said brand names were up in women's wear; 23% said men's wear.

But, 31% of the managers of upscale chains named women's apparel compared to 25% of the managers at conventional chains.

Men's apparel turned out differently; the spread of responses

was larger, and the upscalers-vs.-the-conventionals-vote was reversed.

Just 11% of the managers at upscale chains said the number of brands in men's apparel grew last year. Compare that to the response from conventional chain managers: 25% said their chains experienced brand name growth in men's wear.

The third-ranking area where managers said brand names were on the rise was another one in which discounters have been looking to new resources to boost margins—housewares. The traditional brands maintained their grip as the leaders in housewares. Nevertheless, 20% of the managers polled said the number of brands in the area was increasing.

By store format, more of the upscale store managers saw an increase, 28% of them, compared to only 18% of the managers at conventional chains.

Two other departments—hardware and health and beauty aids—also had a fairly strong vote count in the growth of brand names; 18% and 16%, respectively.

For all other department/product categories surveyed, fewer than 10% of the store managers said they saw brand name growth in the past year.

Why National Brands Are Expected To Spur Stores More Than PL

Of the store managers polled, 64% said national brands will contribute more to store growth than store labels. Here's why:

Brands	All Discounters	Conventional Discounters	Upscale Discounters
Advertising/TV exposure	22%	24%	13%
Consumers trust them	19	20	19
Quality	12	12	11
It's what shoppers want	10	10	8

Source: DSN/Leo J. Shapiro & Associates

Majority of Store Managers Polled See Name Brands Upping '83 Biz



Geographic Location:

Region	% of store managers
Northeast	68
South	68
North Central	62
West	56

Store size:



Under 30,000 sq. ft.	79
30,000 to 60,000	70
60,000 to 100,000	61
100,000-plus	60

Source: DSN/Leo J. Shapiro & Associates

Where Name Brands Are Growing

Department	All Discounters	Conventional Discounters	Upscale Discounters
Ladies' Apparel	26%	25%	31%
Men's Apparel	23	25	12
Hardware	18	20	10
Housewares	20	18	28
Health & Beauty Aids	16	16	15
Consumer Electronics	8	8	8
Sporting Goods	8	7	5
Cosmetics	8	10	—
Children's Apparel	7	5	16
Photo & Camera	4	3	9

Ladies' apparel saw the greatest influx of national labels in the last year, according to a DSN poll of store managers. Of those surveyed, 26% said branded stocks grew in ladies' more than in any other department.

Source: DSN/Leo J. Shapiro & Associates

Store Managers Expect Gains In Overall Volume This Year

% of Gain	All Discounters	Conventional Discounters	Upscale Discounters
0%-5%	11%	11%	9%
5%-9%	9	9	14
10%-15%	31	32	45
16%-plus	19	22	10

Source: DSN/Leo J. Shapiro & Associates

Several Makers Get Top-Brand Mentions

Personal Care				
Top Brands Vary by Type of Outlet				Store Mgrs. Name Their Top Brands
Brands	All Discounters	Conventional Discounters	Upscale Discounters	
General Electric	65%	67%	56%	Brands
Conair	63	68	41	K mart
Clairol	48	43	73	Wal-Mart
Norelco	28	26	30	Zayre
Gillette	21	18	35	Target
Vidal Sassoon	16	13	32	
Sunbeam	13	13	12	General Electric
Schick	9	8	15	Conair
Store brand/PL	5	4	6	Clairol
Source: DSN/Leo J. Shapiro & Associates				Norelco
				Gillette
				Vidal Sassoon
				Sunbeam
				Schick
				Store brand/PL
				Source: DSN/Leo J. Shapiro & Associates

There's been more talk about cutting back assortments in personal care electronics than action. The reason is probably that manufacturers have been making cutbacks difficult with their constant unleashing of new product styling and packaging and their sharp price promotions.

Consequently, the top brands lineup in personal care electrics shows several manufacturers with a healthy number of best seller nominations by store managers. Interestingly, General Electric won the blue ribbon as the best-selling brand among "all" discount chains with 65% of the store managers naming it. Just one percentage point behind was Conair with 54%.

However, General Electric wound up in second place in the conventional and upscale chain breakouts. The top brand among conventional chains, according to store managers, was Conair with 68% mentioning this supplier.

Among the upscalers, it wasn't GE or Conair which came out on top. Store managers, 73% of them, named Clairol as the personal care appliance leader. Clairol was the third-ranking brand among "all" chains and among the conventionals. Norelco was the fourth-place brand among "all" discounters and among the conventional chains. Among the upscalers, Norelco dropped down to sixth place; the fourth place spot was given to Gillette.

More Winners

When store managers from four individual chains were asked their best sellers, General Electric was the leader at one chain, Wal-Mart. At the Bentonville-based chain, GE dominated the store manager tally with 88% of them naming this brand. K mart managers also turned up a clearly dominant top brand with 92% of its managers naming Conair. This supplier was also the leader at Zayre with 78% of its managers mentioning this brand. At Target the top brand was Clairol with 76% of the managers naming it. In fact, all four chains' listings of their top three brands included the same names—General Electric, Conair and Clairol—but in a different order. The list of the top three brands matched in the case of two chains. K mart and Zayre store managers named their top three as fol-

(Continued on page 22)

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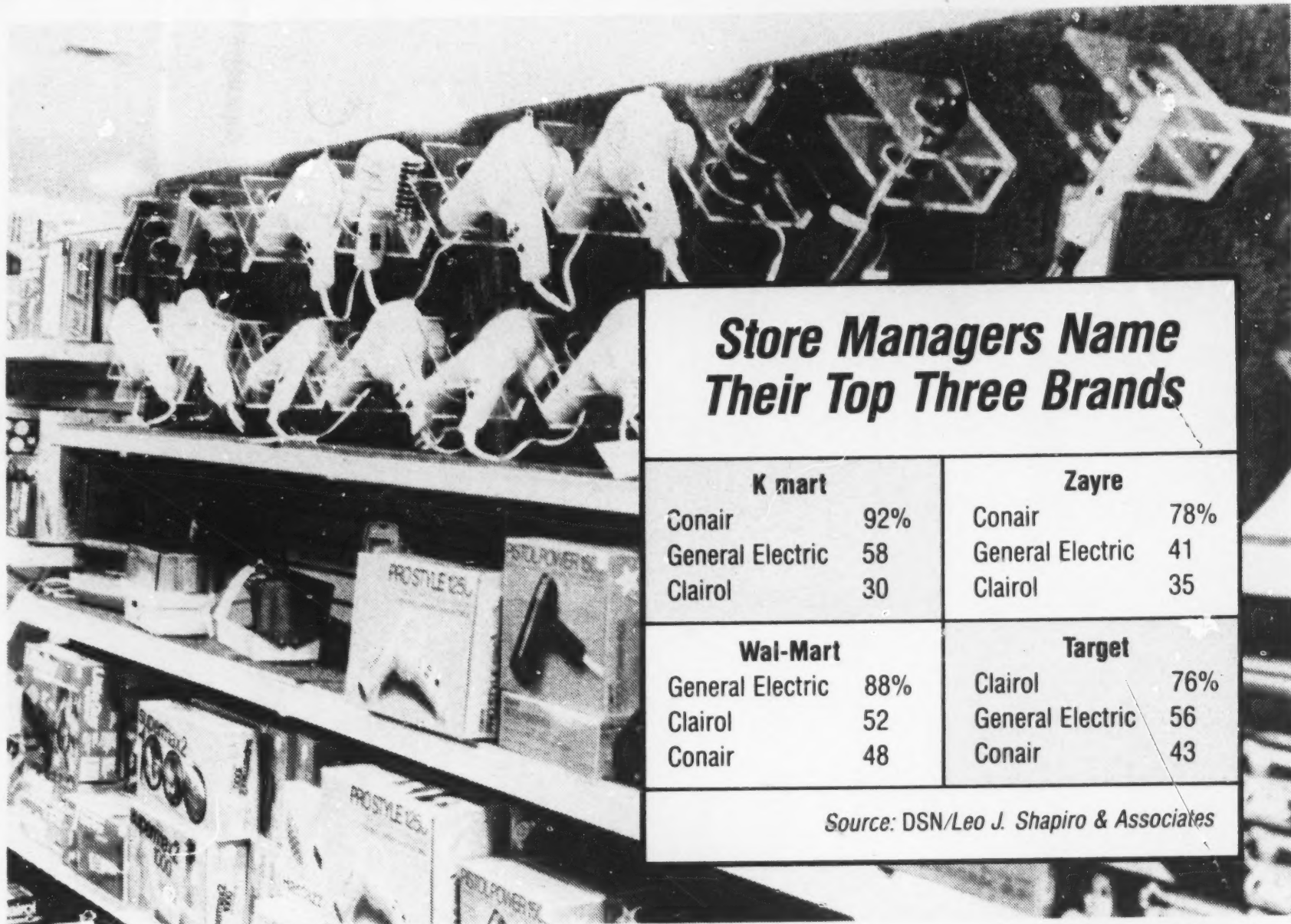
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PERSONAL CARE APPLIANCES/TOP BRANDS

Personal Care				
Top Brands Differ by Region				
Brands	Northeast	South	North Central	West
General Electric	72%	61%	63%	68%
Conair	67	66	57	66
Clairol	28	51	50	56
Norelco	33	22	28	26
Gillette	15	27	15	27
Vidal Sassoon	21	20	15	7
Sunbeam	12	16	12	11
Schick	9	8	4	20
Store brand/PL	3	4	7	2

Source: DSN/Leo J. Shapiro & Associates



Store Managers Name Their Top Three Brands			
K mart		Zayre	
Conair	92%	Conair	78%
General Electric	58	General Electric	41
Clairol	30	Clairol	35
Wal-Mart		Target	
General Electric	88%	Clairol	76%
Clairol	52	General Electric	56
Conair	48	Conair	43

Source: DSN/Leo J. Shapiro & Associates



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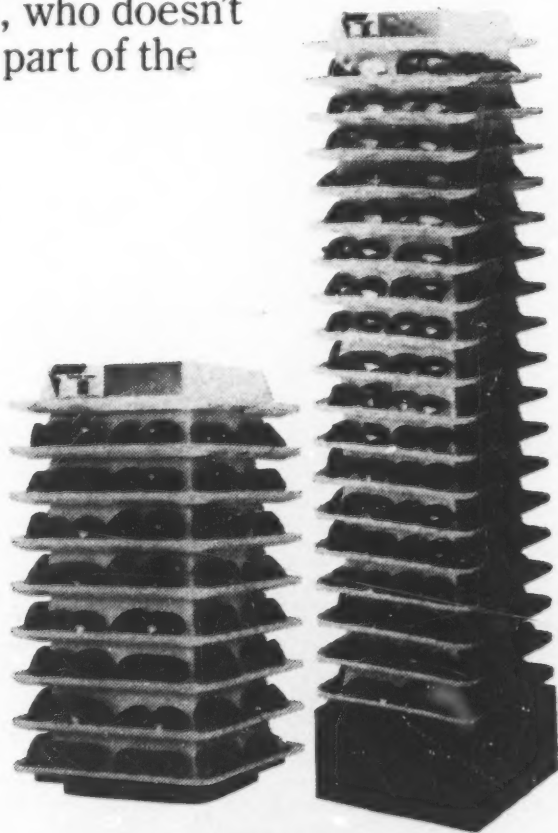
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Personal Care

(Continued from page 20)

lows: Conair, first; General Electric, second, and Clairol, third.

Vidal Sassoon didn't make the list of the top five brands for "all" discounters. But, it had a better showing from Wal-Mart and Target store managers.

With 37% of Wal-Mart's managers naming the brand, it took fourth place among Wal-Mart's top five. At Target, 29% of its managers named Vidal Sassoon, putting the brand in fifth place for Target.

On a regional basis, General Electric almost swept the map, taking the top slot in 3 out of 4 areas. It was the best-selling brand, according to store managers, everywhere but in the South.

Southern store managers cast their votes for Conair as the best seller.

Store brand/private label merchandise turned in a fairly strong showing in personal care. The strength of PL merchandise wasn't surprising since many chains are going that route to beef up the bottom line of this low-margin category. And, brand suppliers are offering PL knock-offs of their own best-selling items.

Among "all" discount chains, 5% of the store managers named the store brand as a best seller, as did 4% of the managers at conventional chains and 6% from upscale chains.

Those numbers were higher from some of the individual chain store managers. For example, 11% of Zayre's managers mentioned PL as a best seller; 8% at Target, and 7% at K mart.

On a regional basis, store brands ranked highest in the North Central area with 7% naming them as best sellers. Store brands got their lowest rating in the West where only 2% of the store managers named them as best sellers.

Leaders in Five Categories Win Easily

The top five brands in the stationery department write a clear picture of the branded leaders in their respective categories.

Mead, tied for the top spot in stationery, was mentioned by 53% of all store managers and was the only source of notebook/filler paper that made the top brands list.

Just as Mead clearly dominates in the stationery category, Bic, also named by 53% of the managers, was far and away the leader among the six pen suppliers that also made the list of the top brands in the department.

Papermate scored closest to Bic, with the former named by 42% of all store managers. Parker and Scripto tied for fourth position, each being named by 13%.

With mentions by 20% of all store managers, American Greetings took third position among the leading stationery brands.

Fifth place went to Crayola, a firm which fills its own unique classification niche.

Pentel and Sheaffer, each mentioned by 7% of the store managers round out the list of stationery's top brands.

Managers at conventional and upscale chains didn't agree on their respective top brand. The conventionals, 56% of them, said Bic. At the upscale chains, 63% of the managers named Mead.

A Closer Look

While Mead was the clear winner with the upscale chains, since the second ranking brand, Bic, was named by 40%, the conventional chain managers saw more of a nose-to-nose race between the top two.

Among the conventional chain managers 52% named Mead, very close to their number of mentions for Bic.

Conventionals and upscale chains also disagreed on their third spot. The winner among the conventionals was Papermate, mentioned by 44%. At the upscale chains, the nod went to American Greetings, named by 31%.

Among the four individual chains polled, two, K mart and Zayre put Bic at the head of the list of their top three brands.

Wal-Mart and Target managers put Mead in first place, both by a wide margin. Of Wal-Mart's managers, 86% named Mead; 74% of Target's managers named this supplier.

Mead showed as one of the top three suppliers at 3 out of 4 of the individual chains polled. That brand didn't make Zayre's top three list. With 18% of Zayre's man-

(Continued on page 37)

Stationery				
Top Brands Vary by Type of Outlet				
Brands	All Discounters	Conventional Discounters	Upscale Discounters	
Mead	53%	51%	63%	
Bic	53	56	40	
Papermate	42	44	29	
American Greetings	20	18	31	
Parker	13	14	8	
Scripto	13	14	6	
Crayola	12	11	15	
Pentel	8	7	13	
Sheaffer	7	6	12	
Store brand/PL	11	11	6	
Source: DSN/Leo J. Shapiro & Associates				

Store Mgrs. Name Their Top Brands				
Brands	K mart	Wal-Mart	Zayre	Target
Mead	35%	86%	18%	74%
Bic	45	63	44	35
Papermate	42	46	40	21
American Greetings	4	14	26	32
Parker	20	15	15	1
Scripto	11	21	13	8
Crayola	28	6	13	16
Pentel	5	3	7	14
Sheaffer	7	9	—	3
Store brand/PL	20	3	22	3
Source: DSN/Leo J. Shapiro & Associates				



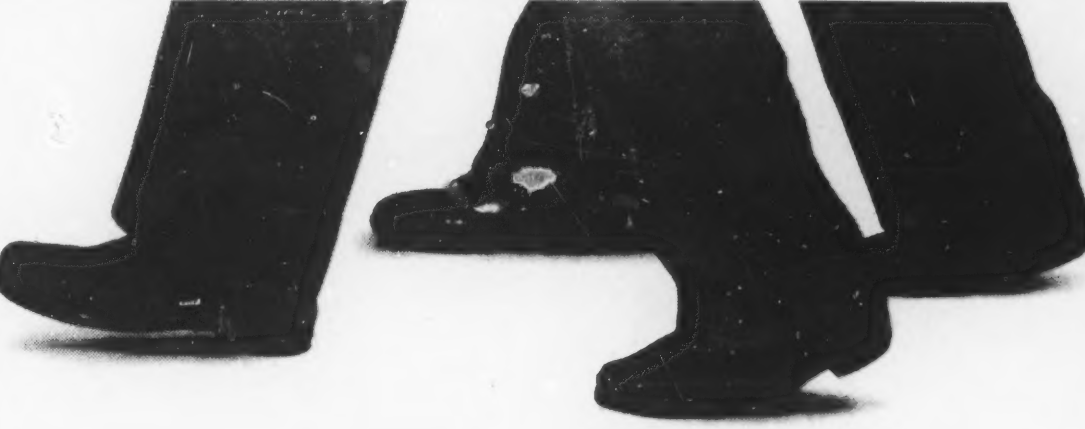
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